

**THIS IS A PROPOSED DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED
ORDINANCE OR RESOLUTION ADOPTED BY CITY COUNCIL**

AN ORDINANCE

**ORDINANCE APPROVING UPDATES TO THE CPS ENERGY WHOLESALE
TRANSMISSION CUSTOMER PRIMARY DISTRIBUTION VOLTAGE
SERVICE RIDER NO. E14 TO BETTER REFLECT THE COST OF
PROVIDING THE SERVICE AND RENAMING IT THE WHOLESALE
DISTRIBUTION SERVICE (WDS) RIDER E14**

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WHEREAS, the City Public Service Board of San Antonio, Texas (aka “CPS Energy”) operates electric and gas systems on behalf of the City of San Antonio (the “City”); and

WHEREAS, pursuant to Chapter 1502 of the Texas Government Code, the City Council, acting in its regulatory capacity, has original jurisdiction over CPS Energy’s rates; and

WHEREAS, the Electric Reliability Council of Texas (ERCOT) manages the State-wide electrical transmission grid and operates the wholesale power market; and

WHEREAS, Section 39.203(b) of the Public Utility Regulatory Act and Substantive Rule 25.191(d)(2) of the Public Utility Commission of Texas requires Transmission Service Providers that operate distribution systems, like CPS Energy, to offer wholesale distribution access to the ERCOT transmission system if requested by an electric power generator; and

WHEREAS, new types of customers, such as battery storage operators, are seeking to access the CPS Energy distribution grid to buy and sell power into the ERCOT wholesale market; and

WHEREAS, current Rider No. E14 has a single “one size fits all” rate assessed for the use of CPS Energy’s distribution system; and

WHEREAS, the new, updated and renamed Rider No. E14 uses a more tailored, stratified approach and contains three different rates assessed to the customer based on how much of CPS Energy’s distribution assets they use; and

WHEREAS, the rates in the updated Rider No. E14 were developed using standard cost allocation principles and a recent cost of service study that was validated by an external expert; and

WHEREAS, this is an evolution of an existing rider, not a general rate increase; the updated and renamed Rider No. E14 has a narrow focus on a new type of customer, and as such, it does not impact customers broadly; and

WHEREAS, any eligible transmission service customer taking service under the revised Rider No. E14 is prohibited from providing electric service to any CPS Energy retail customer; and

WHEREAS, the City's Office of Public Utilities staff has performed a detailed review of the updated Rider No. E14, including the cost of service support, and, based on that review, staff has determined that the Rider is reasonable and appropriate; **NOW THEREFORE**:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. After consideration of CPS Energy's updated Rider, the City Council hereby approves the updated Rider No. E14, renamed as the Wholesale Distribution Service (WDS) Rider E14, which better reflects the cost of providing the service. Wholesale Distribution Service (WDS) Rider E14 is attached as Exhibit A, which is incorporated to this Ordinance for all purposes.

SECTION 2. The City Council hereby finds that the Wholesale Distribution Service (WDS) Rider No. E14 will allow CPS Energy to recover the appropriate cost of service rate revenue contribution from the commercial customer classes eligible to take service under the Rider.

SECTION 3. The City Council hereby finds that the rates under the Wholesale Distribution Service (WDS) Rider No. E14 are in the public interest, fair and reasonable, equal and uniform, nondiscriminatory, and necessary to meet CPS Energy's capital, operating, and maintenance expenses.

SECTION 4. This Ordinance shall be effective immediately upon its passage by eight (8) votes or the 10th day after its passage by less than eight (8) affirmative votes.

PASSED AND APPROVED this 17th day of September 2020.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Tina J. Flores, City Clerk

Andrew Segovia, City Attorney